



AN ACT ALLOWING THE MONTANA TRANSPORTATION COMMISSION TO ACCEPT ELECTRONIC BID BONDS AS SECURITY FOR BIDS ON HIGHWAY CONSTRUCTION PROJECTS; AMENDING SECTIONS 18-2-303 AND 60-2-113, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 18-2-303, MCA, is amended to read:

"18-2-303. Construction bids -- minimum requirements -- effect of failure to comply. (1) Each bid communicated to a state agency for the construction of a building must contain or be accompanied by the following items that may not be waived by the state agency:

- (a) bid security, as required by 18-2-302;
- (b) the unit price for each item required to be bid by unit price; and
- (c) the signature, including an electronic signature allowed under 60-2-113, of an individual authorized to submit the bid and authorized by that submission to agree to perform the contract if the bid is accepted. If the request for bid or other specifications provided by the state agency specify the individual required to submit the bid, the bid must comply with that requirement.

(2) The unit price must be expressly stated in the bid and may not have to be calculated by the state agency by dividing the total of the unit prices by the number of units specified or required.

(3) A bid that does not include the items required by subsection (1) as part of or along with the bid may not be accepted by the state agency.

(4) The following definitions apply to this section:

- (a) "Building" has the meaning provided in 18-2-101.
- (b) "Construction" has the meaning provided in 18-2-101.
- (c) "State agency" means a department, board, commission, authority, or office of a branch of state government, including the board of regents and the Montana university system.
- (d) "Unit price" means the price of lumber, concrete, earth, pipe, or other construction item, activity, or

material for which the price is required by the request for bids to be bid on the basis of that item, a linear foot, square foot, square yard, cubic yard, activity an hour or other measurement of time, or other standard unit of measurement for that material, item, or activity."

Section 2. Section 60-2-113, MCA, is amended to read:

"60-2-113. Bidder's security -- contractor's bond. (1) ~~(a) Whenever~~ Subject to subsection (1)(b), whenever the commission calls for competitive bidding, each bidder shall meet all requirements of Title 18, chapter 1, part 2.

(b) The commission may accept electronic bid bonds signed electronically or otherwise verified by the bidder and the surety.

(2) ~~Every~~ Each contractor awarded a contract by the commission shall meet all requirements set forth in Title 18, chapter 2, part 2. ~~For the purposes of those sections with relation to contracts with the commission,~~ a ~~A~~ contract ~~shall~~ is ~~not considered to~~ be completed until the commission, while formally convened, affirmatively accepts all of the work ~~thereunder~~ specified in the contract."

Section 3. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
HB 0120, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2009.

President of the Senate

Signed this _____ day
of _____, 2009.

HOUSE BILL NO. 120

INTRODUCED BY B. MCCHESENEY

BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

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